

SENATE BILL 2158

By Bell

AN ACT to amend Tennessee Code Annotated, Title 49,  
relative to audits of charter management  
organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-13-127(a), is amended by designating the existing language as subdivision (a)(1) and adding the following as a new subdivision (2):

(2)

(A) The comptroller of the treasury is authorized to audit all books and records of a CMO for any charter school created under this chapter and by virtue of the statutes of this state when the audit is deemed necessary or appropriate by the comptroller of the treasury. The comptroller of the treasury may appoint a certified public accountant or direct the department of audit to prepare the audit. The cost of the audit shall be paid by the CMO. The comptroller of the treasury shall have the full cooperation of officials of the CMO in the performance of the audit or audits.

(B) All CMOs operating a charter school in this state shall file an annual financial report with the comptroller of the treasury detailing all transactions between the CMO and any charter school operated by the CMO in this state. Such transactions include revenues, grants, loans, transfers, administrative fees, indirect costs, licensing fees, other types of fees, expenditures, and other similar transactions as required by the comptroller of the treasury. The report shall be:

(i) For the fiscal year ending June 30;

(ii) Filed in a form prescribed by the comptroller of the treasury;

and

(iii) Filed by the CMO with the comptroller of the treasury no later than August 31 of each year.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.